

## 15J - PENSION OBLIGATION BONDS DEBT SERVICE

### Operational Summary

#### Description:

This fund is used to record the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a General Fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full, of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2003-2004 budget for this fund contains appropriations to record the debt service payments made by the bond trustee from the defeasance escrow fund. There is no "out-of-pocket" payment required from the County.

#### At a Glance:

Total FY 2003-2004 Projected Expend + Encumb:	14,696,210
Total Recommended FY 2004-2005 Budget:	17,102,523
Percent of County General Fund:	N/A
Total Employees:	0.00

#### Strategic Goals:

- To record debt service payments made by the trustee on the defeased Pension Obligation Bonds.

### Budget Summary

#### Proposed Budget and History:

Sources and Uses	FY 2002-2003 Actual	FY 2003-2004 Budget As of 3/31/04	FY 2003-2004 Projected <sup>(1)</sup> At 6/30/04	FY 2004-2005 Recommended	Change from FY 2003-2004 Projected	
					Amount	Percent
Total Revenues	190,025,576	172,999,088	173,250,968	17,102,523	(156,148,445)	-90.13
Total Requirements	26,066,488	172,999,088	165,088,445	17,102,523	(147,985,922)	-89.64
Balance	163,959,088	0	8,162,523	0	(8,162,523)	-100.00

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).

Detailed budget by expense category and by activity is presented for agency: Pension Obligation Bonds Debt Service in the Appendix on page 577.

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## Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2002-2003		FY 2003-2004		FY 2003-2004		FY 2004-2005		Change from FY 2003-2004	
	Actual		Budget As of 3/31/04		Projected <sup>(1)</sup> At 6/30/04		Recommended		Projected Amount      Percent	
Revenue From Use Of Money And Property	\$	9,665,823	\$	1,500,000	\$	2,275,966	\$	2,000,000	\$	(275,966)      -12.13%
Other Financing Sources		7,311,603		7,540,000		7,015,914		6,940,000		(75,914)      -1.08
Total FBA		173,048,150		163,959,088		163,959,088		8,162,523		(155,796,565)      -95.02
<b>Total Revenues</b>		190,025,576		172,999,088		173,250,968		17,102,523		(156,148,445)      -90.13
Services & Supplies		46,880		7,563,743		53,100		100,650		47,550      89.55
Other Charges		18,017,178		7,543,110		7,543,110		8,173,660		630,550      8.36
Other Financing Uses		8,002,430		7,500,000		7,100,000		7,100,000		0      0.00
Reserves		0		150,392,235		150,392,235		1,728,213		(148,664,022)      -98.85
<b>Total Requirements</b>		26,066,488		172,999,088		165,088,445		17,102,523		(147,985,922)      -89.64
<b>Balance</b>	\$	163,959,088	\$	0	\$	8,162,523	\$	0	\$	(8,162,523)      -100.00%

(1) Requirements include prior year encumbrances and expenditures. Therefore, the above totals may not match FY 2003-2004 projected requirements included in "At a Glance" (Which exclude these).